

# State & Metro

## Highlights

By Mark Knold

### Blame it on the Olympics

The most recent analysis of Utah's economy has a cloud in its way—namely, last year's Olympics. The employment situation for February was down -1.1 percent. In the prior month, January, it was down only -0.4 percent. Did the economy get worse? On paper it did, but in reality, it probably didn't. It's hard to gauge for sure, because we are making a comparison against last year's Olympic employment spike.

It's estimated that roughly 10,000 temporary jobs were in place last February because of the Olympics. However, those jobs evaporated quickly last spring. So, this February, the economy is going to have to generate 10,000 new jobs just to break even.

In January 2003, Utah's employment count was down 3,800 jobs. If nothing changed between January 2003 and February 2003, Utah would still be down 3,800 jobs. But last

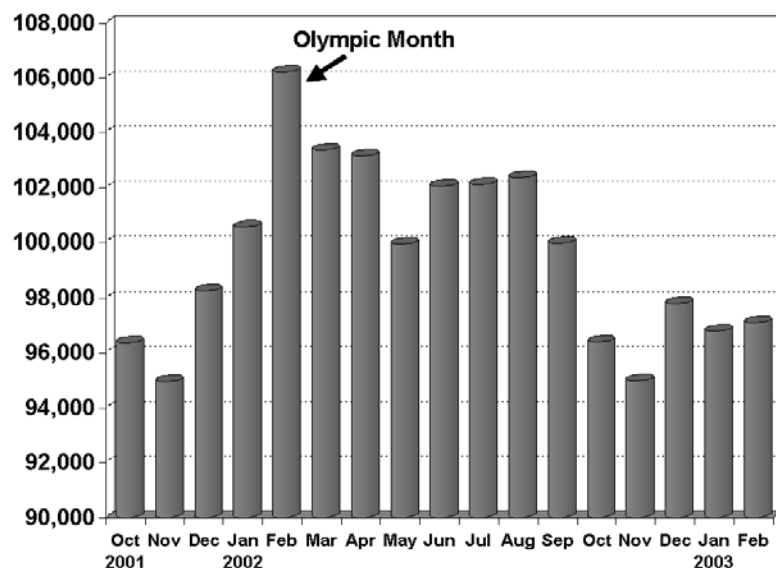
February's Olympics deepens this deficit by an additional 10,000 positions. So you expect February's year-over employment comparison to be down around 13,800 jobs? Instead, total employment is down "only" 12,000 positions. Does that mean the economy actually improved since last February? You can see the difficulty in getting a suitable

feel for how the economy is currently moving. Last year's Olympics distort the picture. What's the solution? Probably waiting until April, when the Olympic effect has passed.

### Who Took the Hit?

What industries did the Olympics affect? The primary one was the Leisure and

### *Utah Leisure and Hospitality Employment*



Source: Utah Department of Workforce Services

Hospitality industry. In February 2003, year-over employment is down approximately 9,000 positions. The month prior, January 2003, it was only down 3,700. The large difference is due to the Salt Lake Organizing Committee, and additional temporary hotel and restaurant staff. Last year's Olympic employment spike is clearly shown in this industry.

Another example is Professional and Business Services; In January it fell by 700 positions, but February

dropped 4,800 positions. Other Services is another Olympic-influenced industry; January down 300 positions, February down 1,400.

### **Bucking the Trend**

An exception to the trend—State Government. In January its year-over employment was unchanged. But February saw its employment jump by 2,200 positions. Last February, during the Olympics, several universities shutdown, so their employment count was

correspondingly down. This February they're operating, so the Olympic effect pushes the data in the opposite direction.

### **It's Hard to do. . .**

The conclusion: it's difficult to measure what kind of steam the economy may be gaining. Last year's Olympics distort the picture, and a clearer image may not be seen until April.

*For more information about Utah's economy, check out:  
<http://jobs.utah.gov/wi>*



- ✓ The state legislature gave final approval on the last day of the legislative session to a venture capital bill creating a \$100 million fund crafted to lure out-of-state technology investment to Utah. *The Salt Lake Tribune, 3/6/03*
- ✓ Since the beginning of the federal fiscal year Oct. 1, 2002, Utah State University has been awarded at least \$55 million in federal funds. The largest award - \$43 million - goes to the USU Foundation's Space Dynamics Laboratory. *The Deseret News, 3/13/03*
- ✓ Qwest Communications International Inc. said it intends to add nearly 50 new jobs at a center it operates in Midvale. The fresh hires will boost the center's workforce to more than 100 by mid-April. *The Salt Lake Tribune, 2/20/03*